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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

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In re Comprehensive Review	)	WC Docket No. 05-195
of Universal Service Fund	)	CC Docket No. 96-45
Management, Administration,	)	CC Docket No. 02-6
and Oversight	)	WC Docket No. 02-60
	)	WC Docket No 03-109
	)	CC Docket No. 97-21
	)	FCC 05-124

To: The Wireline Competition Bureau

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HISPANIC INFORMATION AND TELECOMMUNICATIONS NETWORK, INC. REPLY COMMENTS REGARDING UNIVERSAL SERVICE FUND MANAGEMENT, ADMINISTRATION, AND OVERSIGHT

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Hispanic Information and Telecommunications Network, Inc. ("HITN"), by its attorney, hereby submits its reply comments in response to the Commission's Public Notice in the above-referenced matter.

I.   Introduction

HITN was pleased to read the comments submitted in this matter regarding the oversight and administration of the E-Rate program. Specifically, HITN would like to reiterate six specific points that were prevalent throughout most of the comments submitted.

II.   USAC Should Simplify the E-Rate Program to Expedite Processing, Appeals, and Administrative Details

HITN was saddened, but not shocked, to learn that many E-Rate program participants, including service providers and consultants, had the same issues with the E-Rate program that HITN did. Specifically, commenters overwhelmingly called for expedited processing of appeals and applications. The SLD sits on appeals for six to

twelve months, leaving schools in budget binds and service providers at a loss of how to provide needed services without going into bankruptcy. The FCC should require the SLD to do whatever it takes, including hiring additional staff, to keep on top of appeals and issue timely decisions.[1] Customers of HITN have had appeals languishing in the FCC and SLD for almost four years, and others have had the same experience.[2] Appeals processes should be redesigned to focus on getting the required information to make a speedy decision from the most likely source of the information, and in no case should any appeal remain pending for more than 60 days after it was filed.

Further, other commenters agreed with HITN that the service provider should be able to, after being selected by the applicant, go forward to assist with resolution of any issues with the SLD or FCC on the applicants' behalf[3] – especially if the service provider has agreed to go forward providing services notwithstanding a negative SLD decision. This would be more efficient use of resources and time for the SLD, FCC, as well as for applicants, which are not typically experts in the program, let alone FCC rules and procedures.

It was also pointed out by several commenters that applications were granted routinely almost halfway in the school year, delaying needed services until the holidays

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[1] *See* Miami Dade County Public Schools Comments, Docket No. 05-195, Filed October 18, 2005, at 17: "USAC's ability to provide concrete directions on policy issues to applicants is greatly impaired as appeals remain unresolved at the FCC level. This unquestionably results in greater hardship for the applicant community."

[2] *See* Comments of GCI, Docket No. 05-195, Filed October 18, 2005, at 26. Also see Comments of American Library Association, Docket No. 05-195, Filed October 18, 2005, at 9: "To make matters worse, significant processing delays have become the norm; it is not at all unusual for applicants to be working on 3 to 4 funding years at the same time because of these delays. Tracking what forms are due on what dates for what program funding years causes considerable confusion and has resulted in libraries being denied funding."

[3] *See* Comments of E-Rate Service Provider Forum, Docket No. 05-195, Filed October 18, 2005, at 3.

or after.[4] Staff should be required to review and grant the majority of applications by June,[5] so arrangements can be made over the summer months to install necessary equipment to allow services to begin at the beginning of the school year, instead of in the middle or end of the school year.

Other commenters were dismayed by the wastefulness of the Program Integrity Assurance Review ("PIA").[6] The American Library Association, among others, has experienced what HITN customers have experienced with PIA—that reviewers repeatedly asked for duplicate information,[7] and apparently do not communicate with each other or with any other department within the SLD. Situations that were already taken care of in one section of SLD came into play during PIA, resulting in unnecessary delay and frustration on the part of applicants and service providers. Council of Great City Schools, in particular, urged the FCC to scale back the PIA reviews.[8]

Since theoretically each application is reviewed at several stages, PIA should not be the "black hole" where information is lost and applications languish because of inefficiency and lack of communication within the SLD and USAC. HITN agrees wholeheartedly with the American Library Association's assessment of PIA: "PIA is hamstrung by the same uncertainty in reviewing applications as the applicants are in

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[4] See GCI Comments at 26.

[5] California Department of Education Technology Office Comments, Docket No. 05-195, Filed October 18, 2005 at 11.

[6] American Library Association Comments, Docket No. 05-195, Filed October 18, 2005 at 17.

[7] E-Rate Service Provider Forum Comments, Docket No. 05-195, Filed October 18, 2005, at 13, "As service providers, we have seen our customers repeatedly get asked the same exact questions and for the same exact supporting documentation from PIA. Many times it is the same PIA reviewer asking those same questions."

[8] Council of Great City Schools Comments, Docket No. 05-195, Filed October 18, 2005, at 13.

submitting them. In order for the program to work properly, emphasis should be moved from the back end of the process, i.e. audits, commitment adjustments, appeals, etc. to the front end of the process—clarity in application requirements, clarity in eligible services, simplification of the process itself."[9]

III.   USAC Should be Required to Codify All of its Internal Guidance and Administrative Procedures and Publish, along with Relevant FCC Rules and Guidance, on the USAC Website

The majority of commenters urged the FCC to require the SLD to publish its internal policies and external guidance, along with the applicable FCC guidance and regulations, in one place, so the average applicant can understand ALL rules of the program without searching for hours on the website.[10] HITN would also urge that all information be translated into Spanish, to allow for Puerto Rican applicants to have the same information.

HITN wholeheartedly agrees with this proposition, which will allow for the poorer schools and libraries with minimal staff to have the same E-Rate knowledge that a rich school district with consultants has. Administrative procedures should be adopted and published to ensure that all parties, not just the SLD, are clearly aware of the currently murky requirements for applications and appeals issues. This change would contribute to a more transparent operation of the SLD and of USAC. As it stands currently, the SLD

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[9] See ALA Comments at 17.

[10] E-Rate Service Provider Forum Comments at 2,, State E-Rate Coordinators Alliance Comments at 11-15; "USAC also has been holding applicants accountable for policy guidance that can only be found in obscure E-Rate training presentations that USAC posts to its website each fall…(they) frequently contain new and updated program requirements that are not yet posted on the USC website under the reference section, and more importantly, are not contained in any FCC orders or regulations…Applicants and service providers should be able to obtain all requirements associated with a particular aspect of the program by going to one location at the web site."

has a hard time releasing information and reasoning on a timely basis to assist participants in the program. Notwithstanding, there has been a concerted effort within the SLD and USAC to develop a more "open door" policy in regards to the flow of information. The adoption of specific and focused administrative procedures will help this process along. The goal is to ensure fairness and a level playing field for all applicants and service providers.

IV.   Basic Maintenance Should be Considered a Priority One Service

Commenters urged the FCC to make basic maintenance a priority one service. Since the majority of schools and libraries now have connectivity, it is only common sense to protect the investment by allowing basic maintenance to be an eligible service for which funding will be granted.[11]

V.   Contracts Should be Accepted on a Multi-Year Basis

Most commenters agreed that, to increase the efficiency of the program, rules should be changed to allow for multi-year, priority one services contracts.[12] This will allow for service providers to guarantee return on their investment, simplify funding decisions, cut down on administrative costs at the SLD, and give applicants the piece of mind that they will have services.

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[11] New York City Department of Education Comments, Docket No 05-195, Filed October 18, 2005 at 7; "If schools cannot adequately maintain their networks and ensure operations, the other priority one services is meaningless. At this point on time, with most classrooms connected to the Internet, the focus must logically shift to maintain what schools already have in place and ensure that the investment is being sustained over time. To do so otherwise would be irresponsible considering the amount of funding invested in the school's telecommunication infrastructure."

[12] New York City Department of Education at 6-7, E-Rate Service Provider Forum at 10, Verizon Comments, Docket No. 05-195, Filed October 18, 2005 at 14, Bell South Comments, Docket No. 05-195, Filed October 18, 2005, at 8, American Association of School Administrators, Docket No. 05-195, Filed October 18, 2005, at 9, International Society for Technology in Education Comments, Docket No. 05-195, Filed October 18, 2005 at 19.

VI. Competitive Bidding Processes Should be Governed by the Individual States Only

Most commenters also agreed that the competitive bidding process should be completed using state procurement and bidding procedures, and eliminate USAC and SLD requirements regarding competitive bidding. This would essentially eliminate the Form 470, which most commenters suggested.[13] The state has competitive bidding procedures and rules in place that applicants are required to follow, and adding another layer of bureaucracy is inefficient and undermines the procedures already in place.

VII. USAC Should Strive for Better Communications with Participants and Service Providers

A significant number of commenters, including HITN, have experienced lack of communication, confusing and unclear guidance, and spent countless hours trying to navigate this cumbersome and difficult program. The FCC must assist the SLD and USAC with more streamlined, transparent, and efficient improvements in this program in order for it to continue. E-Rate has gone from a simple concept to an out of control, bloated program whose own rules prevent it from granting funding to the most deserving schools and libraries. While waste, fraud and abuse are still concerns, the majority of participants should not be put through the wringer, denied funding based on ministerial mistakes, and scared off from participating in what should be a beneficial program for all concerned.

The SLD's primary concern should be to assist deserving schools and libraries in receiving vital broadband internet access and other technological tools to train the next

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[13] On Tech Consulting, Inc. Docket No. 05-195, Filed October 18, 2005 at 7; New York City Department of Education at 6-7; State E-Rate Coordinators Alliance at 18-20; Council of the Great City Schools at 6, American Association of School Administrators at 10.

generation. The program can be simplified and streamlined to account for fraud as well as meet the goals that Congress intended. The American Library Association's detailed analysis on how to streamline the program should be seriously considered, as it is a pragmatic solution to these issues.

VIII. Conclusion

HITN provides services to rural Puerto Rico where funding is needed the most. Most schools and libraries there that would benefit greatly from this program have heard how difficult it is to navigate the program, with no guarantee of funding – and most now have simply stopped wasting their time applying (or have never applied). This result is clearly not what Congress intended. Changes should be made to ensure those who need and deserve the funding can get it without being subjected to needless delay.

Respectfully submitted,

HISPANIC INFORMATION AND
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